
HOUSE BILL 2857

State of Washington

55th Legislature

1998 Regular Session

By Representatives Talcott, Dyer and Regala

Read first time 01/21/98. Referred to Committee on Health Care.

1 AN ACT Relating to regulation of health care service contractors;
2 and amending RCW 48.44.020.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 **Sec. 1.** RCW 48.44.020 and 1990 c 120 s 5 are each amended to read
5 as follows:

6 (1) Any health care service contractor may enter into contracts
7 with or for the benefit of persons or groups of persons which require
8 prepayment for health care services by or for such persons in
9 consideration of such health care service contractor providing one or
10 more health care services to such persons (~~and such activity shall not~~
11 ~~be subject to the laws relating to insurance if the health care~~
12 ~~services are rendered by the health care service contractor or by a~~
13 ~~participating provider~~)).

14 (2) The commissioner may on examination, subject to the right of
15 the health care service contractor to demand and receive a hearing
16 under chapters 48.04 and 34.05 RCW, disapprove any contract form for
17 any of the following grounds:

18 (a) If it contains or incorporates by reference any inconsistent,
19 ambiguous or misleading clauses, or exceptions and conditions which

1 unreasonably or deceptively affect the risk purported to be assumed in
2 the general coverage of the contract; or

3 (b) If it has any title, heading or other indication of its
4 provisions which is misleading; or

5 (c) If purchase of health care services thereunder is being
6 solicited by deceptive advertising; or

7 (d) If, the benefits provided therein are unreasonable in relation
8 to the amount charged for the contract;

9 (e) If it contains unreasonable restrictions on the treatment of
10 patients;

11 (f) If it violates any provision of this chapter;

12 (g) If it fails to conform to minimum provisions or standards
13 required by regulation made by the commissioner pursuant to chapter
14 34.05 RCW;

15 (h) If any contract for health care services with any state agency,
16 division, subdivision, board or commission or with any political
17 subdivision, municipal corporation, or quasi-municipal corporation
18 fails to comply with state law.

19 (3)(a) Every contract between a health care service contractor and
20 a participating provider of health care services shall be in writing
21 and shall state that in the event the health care service contractor
22 fails to pay for health care services as provided in the contract, the
23 enrolled participant shall not be liable to the provider for sums owed
24 by the health care service contractor. Every such contract shall
25 provide that this requirement shall survive termination of the
26 contract.

27 (b) No participating provider, agent, trustee or assignee may
28 maintain any action against an enrolled participant to collect sums
29 owed by the health care service contractor.

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